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Report of the Trade and Development Board on its thirty-eighth executive session*

Geneva, 20 April 2006

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* The present document is an advance version of the report of the Trade and Development Board on its thirty-eighth executive session, held at the United Nations Office at Geneva, on 20 April 2006. It will appear in final form, together with the reports of the thirty-ninth executive session, the twenty-third special session and the fifty-third session of the Board, as *Official Records of the General Assembly, Sixtieth Session, Supplement No. 15* (A/61/15).

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I. OPENING STATEMENTS

1. The representative of **Benin**, speaking on behalf of the least developed countries, welcomed UNCTAD's efforts to address the particular problems of LDCs, though given their growing and differing needs, much remained to be accomplished. The lack of consensus in the Commission on Trade in Goods and Services and Commodities was disappointing. Such incidents could gradually make UNCTAD ineffective, and that should be avoided, as UNCTAD had an essential role to play as a centre of excellence for ideas and debates, as well as in assisting those who required it. As far as LDCs were concerned, UNCTAD's role was irreplaceable. It was important for the Secretary-General of UNCTAD to be autonomous and not to be bound by political considerations in carrying out analytical research. The functional link between trade and sustainable development must be developed, and in that connection the Doha Ministerial Declaration highlighted the importance of technical assistance and capacity building support for developing countries. National efforts to centralize trade and poverty reduction strategies at the level of national planning were important, but those efforts would not be fully appreciated unless the link between national initiatives and the multilateral trading system were put in place. UNCTAD was irreplaceable in helping developing countries and LDCs to benefit from the multilateral trading system. The least developed countries hoped that they could continue to count on their development partners to enable UNCTAD to accomplish its vocation.

2. The representative of **Switzerland** underlined the importance of the Mid-term Review of the implementation of the São Paulo Consensus, particularly within the context of reform of the United Nations and the achievement of the MDGs. Since the new Secretary-General of UNCTAD had taken office, there had also been internal reform of UNCTAD. This provided a privileged opportunity for member States to discuss the orientation of the revitalization of UNCTAD. This revitalization should be based on both UNCTAD's expertise in research and technical cooperation and on giving the organization the means to reach the objectives that had been fixed. Three levels must be considered: UNCTAD's role within the UN system; the structure of development assistance and how UNCTAD cooperated with other organizations to achieve greater efficiency; and internally how to enhance the impact and follow-up of technical cooperation activities to ensure more transparency and accountability to donors. Measures had been taken, but it was essential to provide systematic and independent evaluations of projects so as to improve programme performance. The intergovernmental machinery should be simplified and results-based so that it added value to research and technical cooperation.

3. The representative of **Brazil** welcomed the Mid-term Review and highlighted the fact that the process was taking place within a broader political context. As well as reviewing the priorities agreed on at UNCTAD XI, it should also take into account the High-level UN Panel on System-wide Coherence in the Areas of Development, Humanitarian Assistance and the Environment, as well as the panel of eminent persons established by UNCTAD's Secretary-General. There was a need for more openness and for new and better managerial practices. Better use could be made of local expertise and resources, and coordination with other UN agencies should be enhanced. However, it was important to make the most of UNCTAD's institutional history and knowledge. UNCTAD should not lose sight of the

perspective that had given rise to its founding resolution: the need to promote coherence between international rules and national development strategies to reinforce the relationship between trade and development. To this end, the concept of "policy space" was vital. Sharing of experiences at the national and international levels could be improved by devising international rules better suited to development. UNCTAD provided a unique perspective for that process and was in an excellent position to pursue an integrated, comprehensive approach to development. There were a number of key areas in research and policy analysis, technical assistance and consensus building where UNCTAD should pursue and, if possible, strengthen its work. UNCTAD was irreplaceable, since it was the only intergovernmental forum where a wide range of trade and development issues and tasks could be undertaken in a multilateral approach with all member States as peers and equals.

II. MATTERS REQUIRING ACTION BY THE BOARD ARISING FROM OR RELATED TO REPORTS AND ACTIVITIES OF ITS SUBSIDIARY BODIES

4. The **Secretary-General of UNCTAD** recalled that, at its fifty-second session, the Trade and Development Board had requested him to explore possible options to address the issue of financing of experts from developing countries and countries with economies in transition to attend UNCTAD expert meetings. Positive consultations had been held with donor and selected G77 countries, and there was interest in continuing expert-level discussions. Three countries, namely China, India and Italy, had agreed to contribute funds to finance experts. However, it was not possible to provide a full report at present, since responses had not been received from all potential donors. A further report would be provided in the near future. He had raised the issue of predictable financing of experts in the context of the Chief Executives Board (CEB).

5. The representative of **Pakistan**, speaking on behalf of the **Group of 77**, emphasized the importance of expert meetings to UNCTAD's work. Expert meetings were the starting point for consensus building, and it was very important to include the developing country perspective in any discussion that went on. He hoped that other contributions for financing of experts would be forthcoming so that UNCTAD could fulfil its potential. This issue could be discussed in greater detail at the June meeting of the Mid-term Review, and hopefully a predictable and enduring solution could be found by the end of 2006.

6. The representative of **Cuba** said it was a matter of some concern that it had not been possible to find the relatively small sums required for financing of experts, and two of the three contributions had come from developing countries. It was also very alarming to see that those calling for the reform and revitalization of UNCTAD did not always translate their words into deeds.

(a) Report of the Commission on Trade in Goods and Services, and Commodities tenth session (6–10 February 2006)

7. The representative of the **Philippines**, speaking in his capacity as **Vice-President of the Commission on Trade in Goods and Services and Commodities at its tenth session**, introduced the Commission's report contained in document

TD/B/COM.1/80. No consensus had been reached on agreed recommendations, and the work of the secretariat for the year ahead would therefore have to be guided by the broad consensus reflected in the Chairman's summary, expert group recommendations, recent Commission agreed recommendations, and ultimately the São Paulo Consensus.

8. The representative of **Cuba** said it was regrettable that the Trade Commission had not adopted agreed recommendations. Despite the achievement of consensus on most issues, the discussions had stalled as a result of the last-minute withdrawal of some member States. This situation was unprecedented and should not set a pattern for future Commission sessions.

9. The representative of the **United States of America** said that the failure of the Commission to negotiate agreed recommendations was not unprecedented, as the same situation had occurred in 2004. The fact that consensus had not been reached did not diminish countries' commitment to UNCTAD. Moreover, consensus building did not necessarily mean that consensus must be achieved at every meeting.

Action by the Board

10. The Board took note of the report of the Commission on Trade in Goods and Services, and Commodities on its tenth session (TD/B/COM.1/80). It further approved the provisional agenda for the Commission's eleventh session, as well as the topics of expert meetings for 2006.

(b) Report of the Commission on Investment, Technology and Related Financial Issues, tenth session (6–10 March 2006)

11. The representative of the **Islamic Republic of Iran**, speaking in his capacity as **Vice-President of the Commission on Investment, Technology and Related Financial Issues at its tenth session**, introduced the Commission's report (TD/B/COM.2/71).

12. The representative of **Benin** said that his country had implemented the recommendations of its Investment Policy Review within the constraints of available resources, and it still needed assistance from donors to implement the recommendations fully.

Action by the Board

13. The Board took note of the report of the Commission on Investment, Technology and Related Financial Issues on its tenth session (TD/B/COM.2/71). It further approved the provisional agenda for the Commission's eleventh session, as well as the topics of expert meetings for 2006.

(c) Report of the Commission on Enterprise, Business Facilitation and Development, tenth session (21–24 February 2006)

14. The representative of the **Russian Federation**, speaking in his capacity as **President of the Commission on Enterprise, Business Facilitation and Development at its tenth session**, introduced the Commission's report (TD/B/COM.3/76).

Action by the Board

15. The Board took note of the report of the Commission on Enterprise, Business Facilitation and Development on its tenth session (TD/B/COM.3/76). It further approved the provisional agenda for the Commission's eleventh session, as well as the topics of expert meetings for 2006.

16. The representative of **Pakistan**, speaking on behalf of the **Group of 77 and China**, said that the Commissions were an important part of UNCTAD's intergovernmental machinery. In particular, they offered a showcase for UNCTAD's work and expertise and were central to the consensus-building process. Despite difficult moments, a spirit of constructiveness and cooperation had prevailed in the Commissions, and he hoped that that spirit would continue in order to facilitate Members' work in the year ahead.

III. PREPARATORY PROCESS FOR THE 2006 MID-TERM REVIEW OF UNCTAD XI

17. The **President** said that the mandate to hold a Mid-term Review stemmed from paragraph 9 of the São Paulo Consensus, which stated that "the results achieved from the implementation of the Bangkok and São Paulo outcomes should be subject to intergovernmental review. Specifically, a mid-term review should be conducted by the Trade and Development Board in 2006". Since 25 November 2005, he had held a series of formal and informal consultations to exchange views on the scope of and approach to the mid-term review. To date informal agreement ha been reached on the modalities of the MTR, a broad roadmap and the agenda of the Mid-term Review.

18. There was general agreement that the ultimate goal was to see UNCTAD benefiting developing countries and that, at the end of the Mid-term Review process, UNCTAD would be an even stronger, more relevant and more efficient organization. There was an understanding that the process should look at the three pillars of UNCTAD's work (technical assistance, consensus building, and research and analysis) to see how they could all be improved, that it needed to take into account recent events and upcoming developments such as the outcome and implementation of the MDG+5 Summit, the Hong Kong Ministerial, Aid for Trade, UN reforms, etc., and that it should look forward to UNCTAD XII.

19. The draft provisional agenda, covering all three formal meetings of the Mid-term Review, had been agreed upon (TD/B(S-XXIII)/1). A more detailed work programme for each of the three formal meetings would need to be developed in consultation with delegations.

20. After a series of informal consultations, the modalities contained in a non-paper dated 17 March 2006 had been informally approved. It had been agreed that the Mid-term Review would be an ongoing coherent process composed of formal and informal meetings. The objectives would be threefold: (a) to evaluate implementation of the outcomes of UNCTAD XI; (b) to strengthen UNCTAD's role in each of its three pillars; and (c) to conduct a policy dialogue at the highest possible level. Agreement has also been reached on a roadmap whereby the first two formal meetings of the MTR would begin on 8 May and 12 June respectively. The date for the start of the third formal meeting was tentatively set for 25 September.

Further informal meetings would be needed to work out the details of the modalities and the roadmap.

21. The first formal meeting would be primarily a stocktaking exercise with regard to the implementation of the São Paulo Consensus, and the structure of the discussion would follow the subthemes of the Consensus. The programme would last for a maximum of four days. The outcome on each subtheme would be prepared immediately after the discussion on each subtheme and distributed on the same day to allow efficient discussion. It was also informally agreed that there would be a negotiated outcome that should consist of brief, action-oriented recommendations to UNCTAD, although it was understood that there would be a policy perspective to provide a context for the recommendations. The cross-cutting issues contained in the chapeau of the São Paulo Consensus had also been reflected in the draft programme. However, further discussions needed to take place to reach agreement on when these issues would be discussed and what outcome might be expected.

22. The second formal meeting, starting on 12 June, would focus on enhancing each of UNCTAD's three pillars. The exact duration of the meeting had yet to be determined, and the secretariat would need guidance on what should be prepared for that meeting. There was agreement on wanting to strengthen and enhance the pillars, but what that meant in concrete terms was not yet decided.

23. The third formal meeting in September would consist of a high-level policy dialogue. The precise topic or topics for the meeting had yet to be decided. The outcomes of all three formal meetings would be integrated, finalized and adopted at the September meeting. As appropriate, an abbreviated fifty-third session of the Board would follow the September meeting.

24. The representative of **Pakistan**, speaking on behalf of the **Group of 77 and China**, said that the Mid-term Review must not involve a renegotiation of the São Paulo Consensus. It should enhance the image and visibility of UNCTAD. The three objectives should be to review the implementation of the São Paulo Consensus so as to identify areas where it had faltered and ways and means of addressing any gaps; identify ways to enhance each of the three pillars so that UNCTAD could contribute to wider international discourse; and engage in meaningful policy dialogue on important and emerging matters in international development and to contribute to other processes including the WTO and Bretton Woods institutions. There should be a substantive outcome in each area.

25. The representative of **India** emphasized the importance of the Mid-term Review in terms of preserving UNCTAD's mandate as the focal point within the UN system for the integrated treatment of trade and development and interrelated issues of finance, technology and investment. UNCTAD was a unique organization and a prime lever for development and growth. It enjoyed unique credibility with developing countries. While it was important that UNCTAD should build synergies with other organizations, the objective should be to complement and supplement respective areas of comparative advantage. The Mid-term Review should take stock of the implementation of all the São Paulo Consensus commitments in order to see if any mid-term course corrections were required. All three of UNCTAD's pillars were important. UNCTAD needed a functioning intergovernmental machinery to ensure that it was not reduced to being a mere think-tank.

26. The representative of **Norway**, speaking on behalf of **Group B**, said that the informal preparations for the Mid-term Review that had taken place so far had been very positive and constructive. Group B was totally committed to the Mid-term Review process, in particular within the context of wider UN and UNCTAD reform. The goal should be a better and more efficient organization ready to face the future.

27. The representative of **Egypt** said that each of the three meetings of the Mid-term Review process should be given equal weight in terms of timing and outcome. It was particularly important to stress that the understanding of what was meant by 'strengthening' each of the three pillars was to reinforce them so as to end up with a stronger UNCTAD compared to its current status.

28. The representative of **Algeria**, speaking on behalf of the **African Group**, said that the Mid-term Review should primarily evaluate and take stock of activities within the context of both the Bangkok Plan of Action and the São Paulo Consensus. The goal of the exercise should be to highlight successes and to identify where action still needed to be strengthened. It was expected that by the end of the exercise there would be conclusions that would enable UNCTAD to better implement remaining tasks.

29. The representative of **Brazil** pointed out the importance of looking forward to 2008 and UNCTAD XII. His country would be willing to support Ghana in the preparatory process for the next Conference on the basis of its experience in hosting UNCTAD XI.

30. The representative of **Honduras**, speaking on behalf of the **Latin American and Caribbean Group**, said that each part of the Mid-term Review should produce an outcome consisting of agreed conclusions. The Review should also cover cross-cutting issues. The Mid-term Review should be a constructive exercise resulting in a more active UNCTAD responding to the interests of all members.

31. The representative of **Ghana** stressed the importance of the Mid-term Review, in particular as a significant milestone in the preparations for UNCTAD XII. UNCTAD had a necessary and unique role to play, and its continued existence was vital for development. It was the only organization in the UN system uniquely devoted to the developing world. Development was vital also to developed countries in terms of such issues as poverty reduction, international security and market access.

32. The representative of **Thailand** stressed that the Mid-term Review was an important milestone for taking stock but also an opportunity to refine and strengthen UNCTAD's role in each of its three pillars and setting the direction for UNCTAD XII. It was therefore important that delegations have high-level presence at the Mid-term Review in order to raise its profile. The recommendations of the Secretary-General's panel of eminent persons would also provide food for thought.

Action by the Board

33. The Board approved the modalities as contained in the non-paper dated 17 March 2006 and reported by the President of the Board, the roadmap, and the provisional agenda for the Mid-term Review as contained in document TD/B(S-XXIII)/1.

IV. REPORT OF THE FIFTH UNITED NATIONS CONFERENCE TO REVIEW ALL ASPECTS OF THE SET OF MULTILATERALLY AGREED EQUITABLE PRINCIPLES AND RULES FOR THE CONTROL OF RESTRICTIVE BUSINESS PRACTICES (ANTALYA, TURKEY, 14–18 NOVEMBER 2005)

Action by the Board

34. The Board welcomed the report and resolution of the Fifth Conference and thanked the Government of Turkey for its generosity and for hosting a successful Conference.

V. INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS

Adoption of the agenda

35. The Board adopted the provisional agenda as contained in document TD/B/EX(38)/1. (For the agenda, see annex I below.)

Bureau

36. The Bureau of the Board was as elected at its fifty-second session. The Bureau was thus as follows.

President:	Mr. Ransford A. Smith	(Jamaica)
Vice-Presidents:	Mr. Juan Antonio March	(Spain)
	Mr. Wegger Christian Strømmen	(Norway)
	Mr. Juan Antonio Fernandez Palacios	(Cuba)
	Mrs. Brigitta Maria Siefker-Eberle	(Germany)
	Mr. Iouri Afanassiev	(Russian Federation)
	Ms. Melissa Kehoe	(United States)
	Mr. Sameh Shoukry	(Egypt)
	Mr. Kwame Bawuah-Edusei	(Ghana)
	Mr. Gyan Chandra Acharya	(Nepal)
	Mr. Musa Burayzat	(Jordan)
Rapporteur:	Mr. Levan Lomidze	(Georgia)

Review of the calendar of meetings

37. The Board approved a revised UNCTAD calendar of meetings for 2006, as contained in document TD/B/EX(38)/L.1.

Report of the Board on it thirty-eighth executive session

38. The Board authorized the Rapporteur to finalize the report on its thirty-eighth executive session under the authority of the President.

Annex I

AGENDA FOR THE THIRTY-EIGHTH EXECUTIVE SESSION

1. Adoption of the agenda

2. Matters requiring action by the Board arising from or related to reports and activities of its subsidiary bodies:

(a) Report of the Commission on Trade in Goods and Services, and Commodities, tenth session (6–10 February 2006)

(b) Report of the Commission on Investment, Technology and Related Financial Issues, tenth session (6–10 March 2006)

(c) Report of the Commission on Enterprise, Business Facilitation and Development, tenth session (21–24 February 2006)

3. Preparatory process for the 2006 Mid-term Review of UNCTAD XI

4. Report of the Fifth United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices (Antalya, Turkey, 14–18 November 2005)

5. Institutional, organizational, administrative and related matters:

(a) Review of the calendar of meetings

6. Other business

7. Report of the Board on its thirty-eighth session

Annex II

ATTENDANCE*

1. Representatives from the following States members of the Trade and Development Board attended the session:

Afghanistan
Albania
Algeria
Angola
Argentina
Austria
Belarus
Belgium
Benin
Bhutan
Brazil
Bulgaria
Burkina Faso
Canada
China
Colombia
Cuba
Czech Republic
Democratic People's Republic of Korea
Democratic Republic of the Congo
France
Germany
Georgia
Ghana
Greece
Guinea
Haiti
India
Indonesia
Iran (Islamic Republic of)
Iraq
Italy
Jamaica
Japan
Lithuania
Madagascar
Malaysia
Mauritius
Mexico
Morocco
Nepal
Norway
Oman
Pakistan
Peru
Philippines
Poland
Portugal
Saudi Arabia
Spain
Switzerland
Syrian Arab Republic
Thailand
United Kingdom of Great Britain and Northern Ireland
United States of America
Viet Nam
Yemen
Zimbabwe

2. Representatives from the following States members of UNCTAD not members of the Trade and Development Board attended the session as observers:

Bosnia and Herzegovina
Estonia
Holy See

3. The following observer attended the session:

Palestine

4. The following intergovernmental organizations were represented at the

* For the list of participants, see TD/B/EX(38)/INF.1.

4. The following intergovernmental organizations were represented at the session:

African, Caribbean and Pacific Group of States
European Community
League of Arab States
Organisation internationale de la francophonie
South Centre

5. The following United Nations agencies were represented at the session:

International Trade Centre
United Nations Development Programme

6. The following non-governmental organizations were represented at the session:

General Category
International Confederation of Free Trade Unions
World Trade Federation

Special Category
International Ocean Institute